

**From:** stephen rector  
**To:** Microsoft ATR  
**Date:** 12/31/01 12:35am  
**Subject:** Microsoft Proposed Settlement

I would like to state that I have read the text of the settlement Microsoft agreed to, and I was stunned at the concessions which the DOJ appears to be ready to let Microsoft have. The \$1B of software and support offered by Microsoft has strings attached all over it, and the "platform-independence" which Microsoft mentions once or twice in the document has statements so vague and full of loopholes as to be meaningless. I see no guarantees that the boards of independent directors Microsoft has agreed to will place any priority on extracting for schools what they ask for if Microsoft places incentives to choose Windows.

The settlement is not only \*not\* a punishment, it is a reward to Microsoft for behavior unrivalled even by the Standard Oil Trust. Indeed, Microsoft is rewarded in the language it understands best - market control - being given an inroad into one market where it doesn't have a 90+% monopoly. Besides that, the \$1B is external value to Microsoft, the actual cost to the company being much less for distributing its own product. The DOJ seems to be abetting the crime rather than punishing it by agreeing to this settlement, and that is an outrage. I protest.

I favor the alternative proposed by Steve Jobs, which does not place strings on the money provided to schools.

As for what has transpired between Microsoft, the DOJ and the Courts in the past 10 months, the journalist Dan Gillmor of the San Jose Mercury News summarized it well in one paragraph today (Dec 30):

"\* The Justice Department and nine of the states prosecuting the Microsoft antitrust case snatched a humiliating defeat from the jaws of victory. Having trounced a corporate lawbreaker in court, they sold out competition and consumers with a vacuous settlement. Nine states, led by California, Iowa and Connecticut, couldn't stomach the deal and stayed the course. But the odds now favor Microsoft, which has never wavered in its determination to continue brutalizing an industry over which it gained absolute control through unethical and illegal practices, and ultimately to control the choke points of commerce and communications. Makes you wonder if crime pays."

Regards,

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